

Note; and (iii) a document titled, Term Sheet Financing For Series Project Entitled “Shadowplay” (Episodes 101-108) (“Series”)), dated as of July 7, 2020, as amended on July 16, 2020 (the “Term Sheet”), a true and copy of which is attached hereto as Exhibit B.

5. The LSA states that the Note and Term Sheet “are attached to this Agreement and form an integral part hereof.” *See* LSA at p. 1.

6. The Term Sheet memorialized that Creative Wealth and a non-party, Shadowplay Series Holdings UK Limited, previously entered into an agreement under which Creative Wealth agreed to finance the production of Shadowplay¹ and that Hudson would be advancing \$3,000,000 to Creative Wealth to partially fund Creative Wealth’s financing obligations. *See* Ex. B at p. 1.

7. Importantly, the Term Sheet provides that the source of repayment of Hudson’s \$3,000,000 advance to Creative Wealth—which the Term Sheet refers to as the “Loan”—along with interest and other amounts, would be from the gross receipts of the Shadowplay project in accordance with a payment waterfall set forth in a separate Collection Account Management Agreement (“CAMA”) pursuant to which various parties were to be paid out of the gross receipts from the Shadowplay project:

Source of Repayment	The Loan, inclusive of the Facilitation Fee, the Interest and the Net Profit Participation (defined below) shall all be recouped from gross receipts generated by the Project, if any, in accordance with the Collection Account Management Agreement (“CAMA”).
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Id. at p. 2.²

8. A CAMA is an account set up in the name of a neutral third-party collection account

¹ A true and correct copy of the agreement between Creative Wealth and Shadowplay Series Holdings UK Limited is attached hereto as Exhibit C.

² The waterfall set forth in the CAMA is included as Schedule A to the Term Sheet. *See* Ex. B, at p. 8.

manager who receives and distributes the revenues generated from the exploitation of a production.

9. Therefore, it was my understanding that there were no amounts repayable to Hudson by Creative Wealth or anyone else unless Shadowplay generated sufficient gross receipts to repay the Hudson Loan.

10. In fact, Hudson even acknowledged in the Term Sheet that its investment involved the risk that it would not be repaid. It represented and warranted that it “has relied on its own examination of the investment hereunder including, but not limited to, the Loan and Security Agreement and the merits and risks involved. [Hudson] is aware that it may be required to bear the financial risks of this investment for **an indefinite period of time.**” *See* Ex. B at p. 5 (emphasis added).

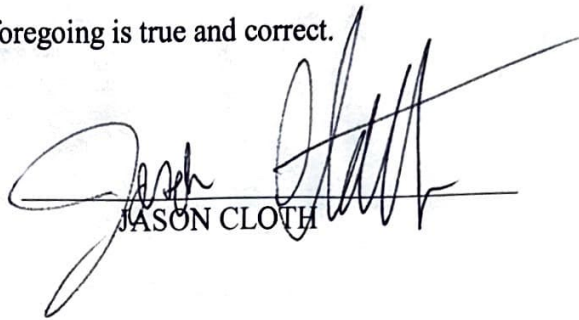
11. Unfortunately, the project was not as successful as Creative Wealth had hoped, and Shadowplay did not generate sufficient gross receipts to repay Hudson. Therefore, no amount is due and owing to Hudson, from Creative Wealth or anyone else.

12. Finally, it is my understanding that Hudson has filed with the Court an audit letter that Hudson claims I signed, which states that Hudson loaned \$3,000,000 to Creative Wealth at an interest rate of 10%, and that the loan would mature on December 31, 2021.

13. Although I do not specifically recall signing the letter, it appears that the purpose of the letter—which was on Hudson’s letterhead—was merely to confirm to Hudson’s auditors the amount of outstanding principal and interest as of December 31, 2020, and not that Creative Wealth was liable to repay the Loan. As stated above, repayment of those outstanding amounts was conditioned on Shadowplay’s generation of sufficient gross receipts.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 16, 2022


JASON CLOTH